

FINAL BILL REPORT

SSB 6221

C 76 L 18
Synopsis as Enacted

Brief Description: Concerning the Washington achieving a better life experience program account.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Walsh and Darneille; by request of Department of Commerce).

Senate Committee on Health & Long Term Care
House Committee on Early Learning & Human Services

Background: Achieving a Better Life Experience Act. Congress passed the Achieving a Better Life Experience Act (ABLE) in December 2014. The law amended the Internal Revenue Code to exempt from taxation qualified ABLE savings programs established by states. Individuals can contribute to these savings accounts for eligible people with disabilities that originated before age 26.

Individuals are able to invest up to \$14,000 per year in ABLE accounts. Withdrawals from these accounts will not be taxed so long as the money is spent on qualified expenses such as housing, education, transportation, health care, and rehabilitation. An individual generally cannot have more than \$2,000 in savings or other assets to be eligible for means-tested federal programs such as Medicaid or Supplemental Security Income (SSI). However, investments up to \$100,000 in ABLE accounts will be disregarded as assets for purposes of Medicaid or SSI eligibility.

Washington ABLE Program. The Legislature authorized the creation of the Program in 2016, which is now run by a governing board and operated by the Department of Commerce in consultation with the state treasurer and State Investment Board (SIB).

Summary: Changes are made to the Program's enacting statute to clarify what funds must be collected by the Program, how those funds may be used, and that the state treasurer may delegate authority to the ABLE governing board to designate and define the terms of engagement for a custodial bank. The requirement that the Program account be a treasurer account is removed. An investment manager, in addition to the SIB, is authorized to invest money in the Program.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Votes on Final Passage:

Senate	47	1
House	98	0

Effective: June 7, 2018